



Property Services

NHS Property Disposals

A brief guide



Introduction

As part of our strategy to support the NHS Long Term Plan and enable excellent patient care, NHS Property Services (NHSPS) helps the NHS get the most from its estate. We work with our NHS partners to ensure the estate is consistently fit for purpose for patients and staff, now and in the future.




As pressure on the NHS increases there is more need than ever to run its estate as efficiently as possible. There is significant cost involved in holding vacant and underutilised estate, and through proactive estate management we should dispose of surplus land.

This creates a more efficient NHS estate, by:

- Saving and generating vital funds for the NHS which can be reinvested to enable excellent patient care
- Releasing public land for new use including housing and community use

When a site is declared surplus to NHS needs, the NHS Property Services (NHSPS) Town Planning and Investment Management teams prepare the site for market to secure best value for the NHS. We have also advised and acted for other NHS bodies and the Department of Health and Social Care on the disposal of surplus properties.

Since 2013/14, we have:

 Sold 488 surplus properties	 Raised £418.5 million for the NHS	 Released enough land to deliver 7,173 new housing units
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The funds raised through these disposals could help the NHS:

 Deliver 45,000 knee replacements	+	 Hire 7,200 doctors per year	+	 Build 125 new GP surgery
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[Learn more about disposals at NHSPS>](#)

In this guide we take you through the key stages of a property disposal, sharing our best practice approach to ensure maximum value for the NHS.

1. Identifying disposal opportunities

Our Portfolio Optimisation team work closely with Integrated Care Systems (ICs) and Clinical Commissioning Groups (CCGs) to develop estate strategies. They identify opportunities to create a more efficient and effective estate, including opportunities to hand back or repurpose underused or vacant space.

The NHSPS Vacant Space Handback Scheme enables commissioners to hand back unwanted space, removing the burden of running costs and freeing up the space for alternative use, be it through re-letting, disposal or development. Our large portfolio also supports relocation and consolidation projects to unlock surplus space.

[Learn more about the Vacant Space Handback Scheme >](#)



2. Confirming surplus status

The decision on whether a property is surplus to NHS requirements is made by the health commissioners, following which NHS Property Services will act to dispose of the property.

Our Property Management and Portfolio Optimisations teams work with commissioners to agree Property Vacation Notices, supporting vacation and relocation strategies where necessary.



3. Working with public sector partners

Properties are first listed on the Property Information Mapping Service (ePIMS) website, which allows other public-sector bodies to express an interest in purchasing them before they are put onto the open market.

We are committed to working with local stakeholders where they have expressed an interest in acquiring a property. Such purchasers are treated as Solus Purchasers in line with 'Estatescode' guidance, allowing for a sale at Market Value.

4. Due diligence and de-risking

Our Investment Management team undertakes legal and technical due diligence in order to understand a property's constraints and their potential impact on the sale value, and then works to address these issues.

The team works with our Town Planning team to deliver the most appropriate town planning strategy, which may include pre-application advice on a proposed scheme, permissions in principles or securing an outline planning consent. This can significantly enhance the value of the site, minimising the town planning risk for any prospective purchaser.



5. Marketing and sale

We work with local and national agents on our marketing strategies, agreeing the optimum route to market on a property-by-property basis.

We consider a range of criteria in determining which bids represent best value for a site. These considerations include, but are not limited to, level of sales proceeds for reinvestment in the NHS, viability of purchaser's plans, conditionality, town planning, stakeholder considerations and the timing of the receipt.

Our team has the expertise to manage complex commercial and legal negotiations, ensuring the best result for the NHS on completion of a sale.

[See all of our disposal sites >](#)



Sharing disposal proceeds locally: our new policy

We have developed a new policy, alongside the Department of Health and Social Care and NHS England & Improvement, that will see proceeds of disposals within the NHSPS estate shared with local health economies.

Announced in May 2021, this policy means that 50 per cent of the net proceeds from property disposals of up to £5m will now be reinvested in the local health economy (at the ICS level). These proceeds will support the delivery of ICS priorities with reinvestment in the NHSPS estate, or where NHSPS has a legal interest. NHSPS will remain responsible for the overall management and delivery of disposal transactions within its estate.

Previously, proceeds were pooled nationally and split between regions for reinvestment. 50 per cent will continue to be pooled this way, and reinvested across the country to fund priority building improvements.

We are also backdating this policy, applying it to properties handed back for disposal since 1st April 2020, enabling more schemes and communities across the country to benefit.



Case studies

Generating £4.5 million for the NHS and enabling the development of a new care home

Bushey Health Centre, Hertfordshire

Herts Valley Clinical Commissioning Group (CCG) announced the site surplus to health requirements in 2017, following a relocation of primary care services to a new medical centre nearby.

We identified a suitable buyer securing £4.5 million to reinvest in the NHS. Our town planning team supported their planning application, securing permission for a 71-bed care home in 2020 meaning the future of the site will remain within health and care use. There is also an ongoing application for four houses elsewhere on site.



Generating £43 million and saving £500,000 p/a in running costs for the NHS, and enabling the provision of new housing

St George's Hospital, London

Havering Clinical Commissioning Group (CCG) announced the site surplus to requirements, vacating the site in 2016. The team carried out extensive due diligence to de-risk the site, and then submitted a series of outline planning applications for a new health facility and residential units.

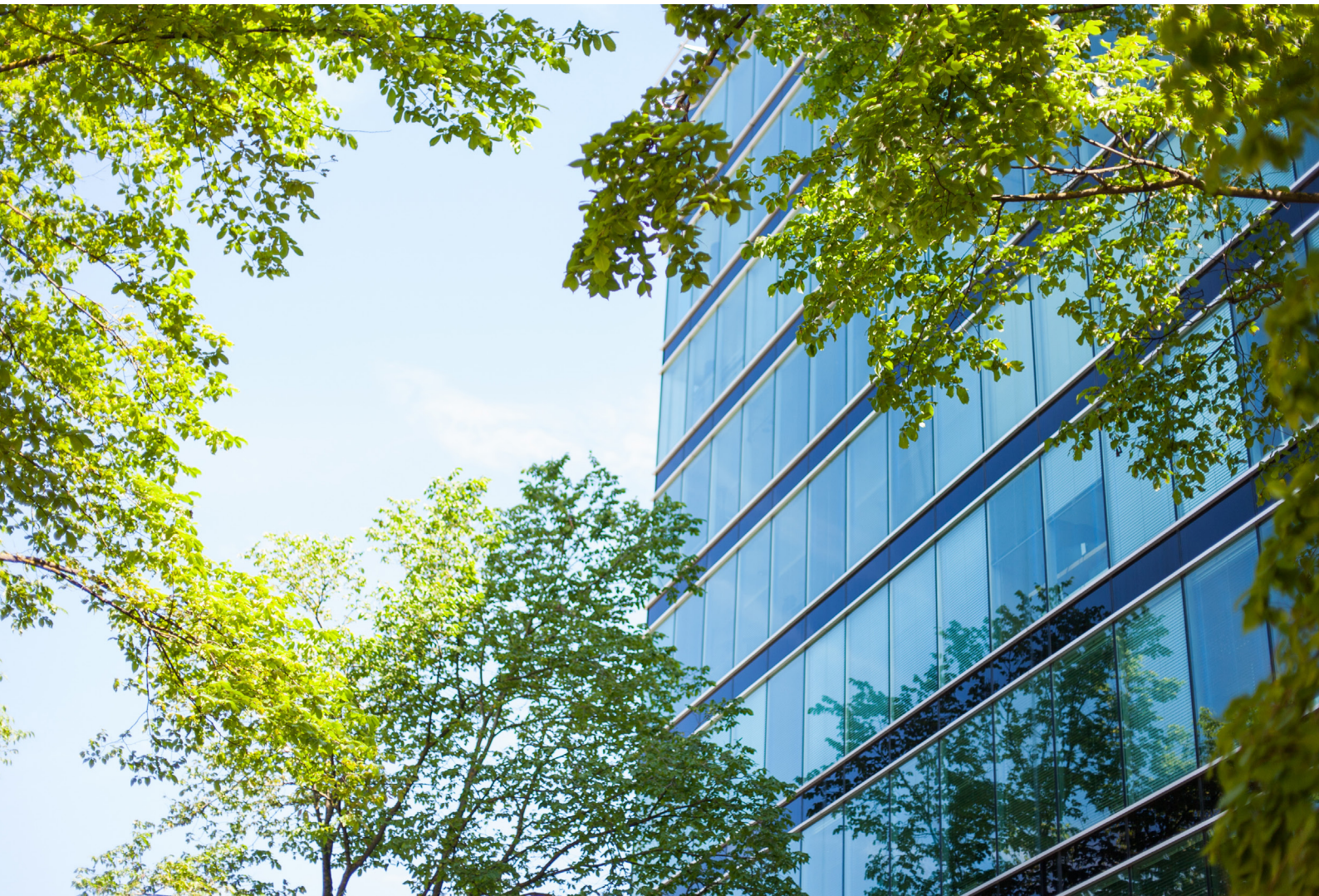
We secured planning permission for 290 units, including 15% affordable housing, which significantly enhanced the value of the site. We identified a preferred bidder and secured an unconditional capital receipt of £43 million in March 2018, which was reinvested in the NHS alongside the £500,000 p/a savings made available to commissioners to reinvest in patient care.

[View all our disposals case studies >](#)





Property Services



Learn more

If you'd like to learn more about how we approach property disposals and how our teams can help you, please visit:
www.property.nhs.uk/disposals

If you'd like to speak to one of the team, please get in touch with our Customer Support team at customer.service@property.nhs.uk or call us 0800 085 3015.